Purpose of the Transmission Planning and Cost Allocation NOPR

- FERC proposes regions, not interconnections, develop transmission plans and cost allocation methods that consider the benefits of new transmission facilities, including reliability, economics and complying with state/federal laws or regulations.

- FERC also proposes to require each pair of neighboring regions to coordinate transmission planning and cost allocation.
Some borders of transmission planning regions are approximate because not all transmission providers complying with Order No. 890 have a defined service territory.

- Each region to propose its own cost allocation method
- FERC not requiring a one-size-fits-all approach
- Developing cost allocation must begin at regional level
- Region can’t decide, then FERC decides
Summary

• Building on existing regional process
• Not interconnection-wide
• Consider existing state and federal requirements
• Consider reliability and economic needs
• Determine regional cost allocation based on principles (e.g. no benefits, no costs)
• Involve merchants in planning for reliability reasons